

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER	<input type="checkbox"/>	DATE	December 19, 2018
MOTOR CARRIER MATTER	<input type="checkbox"/>	DOCKET NO.	2017-207-E/2017-305-E 2017-370-E
UTILITIES MATTER	<input checked="" type="checkbox"/>	ORDER NO.	2018-836

THIS DIRECTIVE SHALL SERVE AS THE COMMISSION'S ORDER ON THIS ISSUE.

SUBJECT:

DOCKET NO. 2017-207-E - Friends of the Earth and Sierra Club, Complainants/Petitioners v. South Carolina Electric & Gas Company, Defendant/Respondent;

DOCKET NO. 2017-305-E - Request of the Office of Regulatory Staff for Rate Relief to South Carolina Electric & Gas Company's Rates Pursuant to S.C. Code Ann. § 58-27-920;

-and-

DOCKET NO. 2017-370-E - Joint Application and Petition of South Carolina Electric & Gas Company and Dominion Energy, Incorporated for Review and Approval of a Proposed Business Combination between SCANA Corporation and Dominion Energy, Incorporated, as May Be Required, and for a Prudency Determination Regarding the Abandonment of the V.C. Summer Units 2 & 3 Project and Associated Customer Benefits and Cost Recovery Plans - Staff Presents for Commission Consideration the Commission's Directive Dated December 14, 2018, Instructing Staff to Prepare a Proposed Notice to Customers Related to the Commission's December 14, 2018, Decision.

COMMISSION ACTION:

Move that the Commission adopt the Notice presented to us by Staff. I find that it is a reasonable notice related to the Commission's Directive dated December 14, 2018.

PRESIDING: Randall

SESSION: Regular

TIME: 11:00 a.m.

	MOTION	YES	NO	OTHER
ELAM	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
ERVIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
RANDALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WILLIAMS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

RECORDED BY: J. Schmieding

(SEAL)



Notice Regarding the Public Service Commission's Decision in Order No. 2018-804

Docket No. 2017-370-E: Joint Application and Petition of South Carolina Electric & Gas Company and Dominion Energy, Incorporated for Review and Approval of a Proposed Business Combination between SCANA Corporation and Dominion Energy, Incorporated, as May Be Required, and for a Prudency Determination Regarding the Abandonment of the V.C. Summer Units 2 & 3 Project and Associated Customer Benefits and Recovery Plans

On January 12, 2018, South Carolina Electric & Gas Company and Dominion Energy, Incorporated filed an Application with the Public Service Commission for approval of a merger between SCANA Corporation and Dominion Energy. The Application also requested a resolution of the issues surrounding the abandonment of the V.C. Summer Units 2 & 3 project, and proposed customer benefits and recovery plans.

On November 1, 2018, the Public Service Commission began a Hearing regarding the above referenced Matters. On December 14, 2018, based on the evidence in the case, the Commission approved the proposed merger of SCANA and Dominion Energy, and adopted Dominion Energy's proposed Plan-B Levelized benefits plan to customers. The following chart details an average monthly bill under the Plan-B Levelized plan:

Residential Service

Residential Service	May 2018 Rate	Current Experimental Rate*	Commission Approved Rate
Average Monthly Bill <i>(Based on 1,000 kWh)</i>	\$147.70	\$125.34	\$125.26

*Legislatively ordered temporary experimental rate

The Commission also found the abandonment of the nuclear construction by SCE&G was prudent due to the bankruptcy of the general contractor Westinghouse, and the subsequent withdrawal from the project by SCE&G's partner, Santee Cooper. During the Hearing, no party argued for reimbursement of the nuclear capital investment after March 12, 2015. The Commission found this date to be a reasonable cut-off date for the investment; therefore, no capital costs incurred after this date can be recovered by the utility.

In addition to the above determinations and approvals, the Commission also adopted 14 merger conditions. Some of these conditions are as follows:

- SCE&G will freeze retail electric rates at current levels until January 1, 2021, with its first post-merger rate case to be filed in 2020. SCE&G and Dominion Energy have committed to providing a \$2.45 million refund to natural gas customers as bill credits in 2019, 2020, and 2021.
- The exclusion of certain costs so that they will not be passed on to ratepayers, including costs associated with a fund for payment to senior management (in other words,

exclusion of the “golden parachutes”); costs associated with the Bechtel Report; consulting fee payments to former SCANA CEO William Timmerman; and all litigation expenses associated with the merger and Project abandonment.

- SCE&G further will not seek to pass on to ratepayers the initial capital investment of \$180 million for the acquisition of the Columbia Energy Center, a 540 Megawatt combined-cycle natural gas-fired power plant.
- SCE&G will not seek recovery of any acquisition premium costs, transition costs, or transaction costs associated with the business combination with Dominion Energy.
- Dominion Energy will maintain SCE&G’s headquarters in Cayce, South Carolina.
- A commitment by Dominion Energy to increase community giving by \$1 million per year for at least five years, and to maintaining SCE&G’s corporate presence in the community.
- The Commission asked Dominion to study a low-income support program similar to Dominion’s Energy Share Program that would in addition include a voluntary Round-Up program that allows ratepayers to choose to round their electric bills up to the next whole dollar. These amounts can be used to alleviate pressure caused by electric bills for low-income members of the residential ratepayer class.
- Dominion Energy commits to maintain SCE&G’s customer service at no less than current levels, and will maintain a focus on installing, upgrading, and maintaining facilities necessary for safe and reliable operations.
- To learn more about other Merger Conditions required by the Commission’s ruling, you may access the PSC Order at _____, pages _____.